SCOTCH BANKING.

The Ring that Used the Money of the City of Glasgow Bank.

EXTRAORDINARY REVELATIONS.

How Rotten Firms Were Kept Alive.

MILLIONS OF POUNDS SQUANDERED.

GLASGOW, Dec. 1, 1878. The extraordinary network of fraud and deceit by which the City of Glasgow Bank has been wrecked ousands of innocent persons rained is being gradually laid bare. This week the affairs of Smith, Fleming & Co., of London, Bombay and Kurrachee, and Matthew & Thielmann, of Glasgow and Leith, have been under the legal microscope, and an amount mercial rottenness has been exposed which has sidom been equalled. Smith, Fleming & Co. at one e did a magnificent trade with the East Indies, and their wonderful prosperity reached its climax in the three years immediately preceding the outbreak of e Franco-German war, when their houses-in London, Bombay and Kurrachee—earned among them an average of £90,000 per annum. This success could not on forever. The tide turned, and in 1870 the firm suffered a series of heavy losses. By the failure of their Liverpool correspondents—Nicol, Duckworth & Co.— At this time Smith, Fleming & Co. were indebted to he City of Glasgow Bank for £26,000 cash and £122,000 credit, but as these sums were fully secured he bank need have lost nothing if the firm had susended, as they thought of doing. But it did not nit the bank to let Smith, Fleming & Co. collapse, and the partners themselves had still a hankering after the rich profits of their three big years. They could see no reason, as the head of the firm, Mr. J. ning, told his creditors, "why such earnings hould not be continued if only our credit could be maintained, particularly having regard to the very low level to which prices of goods and produce had fallen in consequence of the war." Eventually Fleming came to Glasgow, and here is his own account of how they managed business:-

count of how they managed business:—

ON THE DOWNWARD TRACK.

I went to Glasgow and had a long interview with the manager and several of the directors, at which our position was very freely discussed, and our stoppage was by all strongly deprecated. Unfortunately, my partners and I did not regard our position as irretrievable, and were not unwilling to accept assistance, provided it could be given conditionally, so as to preserve our money-making power. I did not nesk assistance, but whee, it was offered I did not feel justified in retusing it, provided it could be rendered in a manner which I considered essential to secure success. Much discussion took place, and when it seemed to me that the magnitude of the difficulties and the corresponding requirements were not fully appreciated and that the proposals then made of arrangement were calculated, in my judgment, to bring all concerned into discredit, I refused to go on and left the room. I was, however, requested to return, and ultimately consented to undertake what I knew must be a long and arduous, although I believed not undertake struggle, upon assurance being given of effectual assistance.

From that day onward the firm of Smith, Fleming Co. were the slaves of the bank. They toiled on, but never recovered the shock which their credit redved in 1872. In the eight succeeding years they ddled to their losses £900,000, not to mention the arge sums which they had to spend in commission d interest on bills and which they could only pay by the assistance of the managers of the bank. They kept the bank regularly informed as to the state of other documents and were bolstered up year after year by fresh advances. At the meeting of creditors hams, who represented the Crédit Lyonnaise:-

Mr. Abrahams—Can you tell us whether during the ist year you made a profit in your trading? Have ou made any profit since 1870?—Altogether I think Have you made any profit on the London busi-

ess?—I think not. You put down your losses on your trading in Lon-on only at £500,000; are you aware of that?—Yes, I

you in the habit of making balance sheets if year?—We made a trial balance sheet for time on the 30th of June. fore I am to take it that on the 30th of June ving made a trial balance sheet, you knew the your affire?—Ve Therefore I am to take to last, having made a trial balance sheet, you knew the state of your affairs?—Yes.

And you knew that you owed more than you could pay?—We knew that we owed £1,500,000 more than we could pay.

Why did you not stop payment then?—Because I was prevented from doing so by the diasgow Bank.

That is a corporation who prevented you?—I don't think I ought to mention the mame.

I think you had better consult your legal advisers.

Robert Stronach, manager of the City of Glasgow Bank, was the gentleman who induced him not to

stop before.

He told you not to stop payment?—Not exactly. I told him I must stop, and he said, "No, don't stop; we will find you in runds to keep on."

Did they know in what position you were?—Perfectly, I saw Mr. Stronach last in September, in Glasgow, and he prevented me stopping payment by providing me the money to meet certain acceptances.

I asked you these questions because my clients advanced their money after July, and if you had stopped payment when you wanted to they would not have appeared here to-day. Were these bills (holding out some bills) printed in London and sent out to Bombay to the firm there with the amount filled in?—They were sail drawn abroad, and were not manufactured in London.

FICTITIOUS BILLS.

Some further questions brought out the fact that bills amounting to £348,366 had been drawn by the partner in Bombay and sent to London to the credit of the London firm in order to keep down the apparent indebtedness of the bank, that the bills falsely professed to be "for value received" and that the latter statement was added in the bank. Mr. Abrahams then put some further questions with the object of bringing into view the dividend declared by the

You are a shareholder in the City of Glasgow Bank; do you know the amount of the dividend they paid last. Twelve her can: You know the amount of them \$1,000,000 at that time; did you not receive the dividend as a shareholder—I did. Did you make any remarks to Mr. Stromach that you owed a million and a baif to the bank and could not pay it?—I did not.
Did you not control any of your other creditors as to your
position besides Mr. Streamh:—Not never.
You owed money to some of the London banks; did you
not consult them:—No.

Position besides Mr. Strongch'—Not never.
You over monor of the Leadon banks; did you not consult them)—No.

The general feeling of the creditors present was that the firm of Smith, Pieming & Co. had been driven into reckless courses by the pressure put on them by the bank, and it was utilinately agreed to itquidate their affairs by arrangement and not in bankruptcy. Their liabilities amount to £1,625,529, while the assets are not expected to exceed £225,382.

A RECKLISS SYSTEM.

The case of Matthew & Thielmann is somewhat different in character from that of Smith, Fleming & Co., but it also brings out in strong relief the ruinous system of reckless advances pursued by the bank with the view of warding off the inevitable collapse. Matthew & Thielmann formed only a link in the chain, being norely the go-between from James Morton, of James Morton & Co., who had unlimited powers of spending money and were always calling for more. The whole story was teld in the Glasgow Bankruptcy Court on Monday by Thomas Matthew, the senior partner. Matthew & Thielmann started business as grain and commission merchants in Glasgow and Leith with a capital of £3,000. For many years business moregand and in 1864 their capital had more than doubled. In that year William Hay, Sons & Co., who had had small transactions with the firm for two years, were unable to meet one of their fails. A consultation took place with the result that Mr. Thielmann agreed to supply them with the means of geing on. Some large transactions in grain took place between the two firms soon after the partnership negotiations, but their relations were afterward of an almost exclusively financial character. By 1899, in which year Hay's quant mill was burned, the Hays owed Matthew & Thielmann, in cash and bills current.

439,453.

Thielmann increased by leaps and bounds, the money coming from the bank through Morton and Matthew to the ever needy Hay. In 1876 Hay had got close upon \$226,000 in this way, and Matthew, who was receiving no benefit from these transactions, was desirous of putting an end to the system. So was Hay and so was Morton, who said the thing was an increasing load round his neck, but he said the bank did not wish it stopped. Matthew was asked:—

them.

What interest had the City Bank in Hay & Son going on 1—I presume be got the funds from the City Bank on some the bank expressed a desire that they should go on so as not to expose the amount of industrates to the firm of Matthew & Thielmann, of which I was then senior partner, and I was also a partner of Matthew, Buchanna & Co.

Then the bank was desirous that Hay & Son should go on as their stoppage might affect Matthew & Thielmann and have the effect of bringing them down !—Yes.

Would the stoppage of Matthew & Thielmann necessarily have affected Matthew, Buchanna & Co. !—The two firms were entirely distinct, but being the senior partner of Matthew, Buchanna & Co. I was engaged in large financial operations in behalf of James Morton & Co. and the City Bank.

Suck.

You as partner were quite conversant with all the transactions of both firms?—Yes.

actions of both firms: T-Yes.

Matthew, Buchanan & Co. had been started in 1868, with £20,000 of the bank's money, and the firm was used almost entirely for financial purposes. At the request of the late Alexander Stronach, manager of the bank and brother of Robert Stronach, now in prison, the firm soon after being floated negotiated a credit of £80,000 against certain securities held by third parties, and that system went on increasing until bills amounting to £1,200,000 were floated in this way.

this way on know the corresponding bills or credits of that £80,00 gives you in 1828 may have been on the circle in 1878 "—Yes; part of them were on circle. It was just finance kept on and increasing, and never being paid off —Yes.

being paid off:—Yes.

To turn again to the relations of Matthew & Thichmann with the Hays. In 1876 the latter were so deeply involved that it was impossible for them even to pay the £225,000 against them in Matthew & Thichmann's books, and it was agreed on the advice of James Morton to cancel the debt, in consideration of the surplus of the Hays' assets over the liabilities to outside creditors being assigned to them. This sum was estimated at £20,000, but it has never been paid. Matthew was questioned on this curious point as follows:—

Did the arrangement carried out in 1876 practically can-

Bas follows:—

Did the arrangement carried out in 1876 practically cancel the obligations of Hay & Sons to your firm, except to the extent of any surplust—Yes.

In cancelling the £225,000 as a debt due to you did you consider you were cancelling a corresponding amount due to Mr. Morton on the opposite side of the ledger?—Yes, I looked upon that as fully carried out.

And that the cancelling of the one balance practically cancelled the other?—Yes.

Why was that not given effect to in your books?—I prosume simply on account of the relationship between Mr. Morton and myself.

You were a brother in law of Mr. Morton's, and it did not marter what was in your books, so far as he was concerned?

And that his creditors would have no claim upon you?—No, his creditors now have no claim upon me.

At this time more new blood was introduced in the

No, his creditors now have no claim upon me.

At this time more new blood was introduced in the firm of William Hay, Sons & Co., a Mr. Dalglish, with £15,500 of capital, being supplied by Matthew & Thielmann. The capital in this case also was provided by Morton, at whose credit it stands in Matthew & Thielmann's books, while it is placed to the debit of Dalglish. The Hays were thus made perfectly solvent by the wiping out of the £225,000 and the supply of new capital, but the old system of making advances continued, and at the date of Matthew & Thielmann's suspension they had received, in addition to the new capital, cash and bills amounting to £40,000.

to 120,000.

LETTING THE CAT OUT OF THE BAG.
Interrogated as to the reasons for starting the advances again after the old burden had been removed,
Mr. Matthew thus committed himself:—

Mr. Matthew thus committed himself:—
Was it not practically this, that the Hays could get from
you, both before 1876 and after 1870, whatever they
wanted?—We were to a certain extent under their control.
Whatever sums of money they from time to time required
to meet their obligations they came to you for, and you
went to Mr. Morton, I presume?—Yes.
And was there ever any objection started by Mr. Morton
to continue these never enting advances?—He demurred
frequently to it, but said that it was necessary. The City
Bank insisted on the business being carried on.
Hay's suspension would have inevitably led to yours, I
presume?—I es.

pressume!—Yes.

And your asspension would have inevitably led to Matthew, Buchauan & Co.'s!—Yes.

And Matthew, Buchanan & Co.'s suspension would have disclosed the huge financing that was going on for the benefit of the City Bank, and, therefore, it was assentially mecessary that Hay & Sons should be carried out—We were

necessary that Hay & Sons should be carried out—We were carrying it on for Mr. Mortou. Well, for Morton & Co., but in reality Morton & Co., as far as this account is concerned, are the City Bank?—Yes. Then, that was the real object of making the large ad-vances to Hay, that they might be kept on their feet, be-cause their suspension would have led to the disclosure of

vances to Hay, that they might be kept on their feet, because their suspension would have led to the disclosure of the large advances:—Yes.

But the relations with the Hay family in Glasgow were not all. John Hay & Co., Leith, were relatives, and they were in the same happy position to Matthew & Thielmann as William Hay, Sons & Co. were. In 1577 the Leith firm had received £75,000, and that was wiped out, as the debt of their Glasgow relatives was in the previous year. In the aggregate the Hay family had thus received in twelve or thirteen years from the friends of the City Bank, dribbling through Morton & Matthew, the sum of £356,278.

WHERE DID THE MONEY GO?

Have you any idea what became of that money, Mr. Matthew, although perhaps it is a delicate question to put?—They said it was all lost in the way of business.

It must have been speculation—it could not be legitimate milling?—I was never able to obtain any satisfactory account of it.

It must have been speculation—it could not be legitimate milling!—I was never able to obtain any satisfactory ac count of it.

And you have asked them?—Over and over again.

Did you ever think it advisable to have access to their books and satisfy yourself where all the money was going to!—I was very dissatished with the statements of their business, and I at one time said that I thought it would be necessary to ask an accountant to investigate their affairs, but Mr. Hay declined to permit it.

So that you have no idea whatever of the different directions in which these large sums of money have gone!—I have never been able to obtain any information.

And, in fact, you were in this position, that they were the masters of the whole let of you for any money they might or fourth day, saying he would require so much money, and I had either to get that or they would stop.

And you knew what the consequences of their suspension would be!—Yes.

In fact, the bank would not have allowed them to stop?—No.

With all this tre sides Matthew, according to his own statement, made only £325 per annum out of the business of Matthew & Thielmann, and nothing at all out of Matthew, Buchanan & Co.

Matthew, Buchanan & Co.

All this enormous labor and responsibility that you took
was solely, I take it, on account of your brother-in-law,
Mr. Morten?—It may be said to be so.

But is it not so:—It is.
You had no interest in it, gained nothing by it, and did it
really in consequence of the close relationship between
you?—Yes, and in order to carry through creditably, as I beileve it would have resulted had the bank not suspended
navment.

payment. But had any suspension of any of the houses that you referred to taken place before the City of Glasgow Bank I suppose it would have resulted in what has now taken place!— Undoubtedly.

Does it would have real object in keeping it all affort?—Yes, a desire to keep it all together. Matthew's examination was adjourned till December 19.

AMERICA'S BRIGHT FUTURE. [From the London Times, Dec. 3.] The meeting of Congress at Washington yester-day was so nearly coincident with the meeting of Parliament at Westminster on Thursday next that a comparison cannot fail to suggest itself. Nothing is more remarkable at first sight than the contrast between the situation in the United States and in this country. There, domestic affairs and the prosecution of a long settled financial policy engage the public attention; here, our foreign relations are of prodominant interest, and the government is entering upon novel and arduous enterprises for the assertion of English power in distant lands. Everybody in this country welcomes the reassembling of Parliament and the assumption by the representatives of the electoral body of their share of responsibility in matters of State. A very different feeling prevails in America, where the possibility of interference by Congress in the financial policy of the Treasury is looked upon with regret and alarm. If the law had not enjoined that Congress should be convened on the first Monday in December, and if the Executive had any alternative course before it, we may be sure that the wisdom of the legislative branch of the government would not now be consulted. The business upon which all minds are bent is the resumption of specie payments, and this is regulated, in default of subsequent legislation, by the act of Congress of 1876, which declares that on and after the 1st of January next the Treasury Department must pay coin on demand for all outstanding "legal tender notes," better known as "greenbacks." The President's Message, before approaching the vital question of resumption, drow a general picture of the state of the Republic. He congressive the maintenance of friendly relations with foreign Powers, the strict observance of neutrality during the recent troubles in Europe and Asia, the abundance of the harvests, the revival of industry and commerce, and, above all, the fact that the national credit stands higher than it ever stood before. The good fortune of the United States in having little of what we know as foreign policy is illustrated by the space which the Message gives to the negotiations with Mexico on the subject of the border Traids. The President's language is conciliatory, although he contends that stern repressive measures cannot be dispensed with on the side of the United States. Evidently the feverish dispension to pick a quarrel with the neighboring Repoblic, which was feared with some reason wille the of predominant interest, and the government is entering upon novel and arduous enterprises for the

a new tone in the monoionous refrain—a tone of impatience and irritation, as if hanging some one for these gloomy days would give sweet satisfaction. A paper has just been read on the subject before the Manchester Statistical Society, the writer of which—Mr. Stephen Bourne—estimates, after making all necessary rectifications of the published figures so as to assure the correct result, that the adverse trade-balance of England was a hundred militions sterling in 1877, and will be as much in 1878. In 1871 it was only £15,000,000; in 1872 it was nil; in 1873, £19,000,000, and from thence it has advanced year by year until it reached the large maximum of £100,000,000 last year. Now the years in which it was lowest were those of the "leaps and bounds" period, when our prosperity was at its flood tide; so that it is plain we have been spending, during the last few years of duli trade and stagmant enterprise, enormously more than we did during the height of our great time of inflation. It was inevitable that this should tell, and it has told and is still telling with a vengeance against us.

LOSS OF THE POMMERANIA

STATEMENT OF MR. POPPENHUSEN REGARDING THE EVENTS OF THE NIGHT OF NOVEMBER 25.

LONDON, Dec. 3, 1878. Mr. Conrad Poppenhusen's narrative gives a calm tatement of events, so far as they came beneath his notice, and it is only due to the company that what he says should be taken into consideration before passing judgment on the ill-fated steamer's crew gainst whom such serious charges were made at the the first officer in refusing to give his version of the events leading to the collision cannot be too severely

I was a passenger on the ill-fated steamer Fommerania sunk off Dover, and having crossed the ocean over fitty times I think my account of this disaster will be of ifiterest to you. We left New York on the 14th of November at a quarter past three P. M., in fine weather, which continued up to the night of the 19th, when a storm set in, and from that time the weather continued thick and rainy. On approaching the English coast the captain showed his well known caution—viz., in slowing the engines and taking soundings frequently. He said to me, "Rather arrive a day later, but he safe." We reached Plymouth on Modady, the 25th of November, at three A. M., and, after landing passengers and mails, proceeded to Cherbourg, which port we left after twelve o'clock the same day. The westher continued thick and rainy; at night very dark. At eleven o'clock everybody turned in, and I was asleep when I was aroused by a foarful crash. I dressed quickly, went on deck, and noticed that the steamer leant over to one side. I met the ship's doctor and he told me to take a lifebelt, which I took, and he assisted me to put it on. Coming on deck I saw that the ship was sinking and found the crew busy getting ready the boats, and I assisted personally in lowering boat No. 6, together with Mr. Faber, another cabin passenger. It was then very dark, and only the bluelight signals and rockets from the ship enabled us at intervals to discern the objects around us. When the boat No. 6 was near the water I got into it with Mr. Faber and one lady, Mrs. Ohrnstiel, and we assisted other passengers who were near and visible, and among whom were two ladies, to get into the boat. We had to hurry these latter, as the steamer was fast sinking; we were about fitty or one hundred feet from the Pumerania when she sank. When we were about lowering our boat I saw the captain going along the deck and giving his orders in a loud but perfectly calm manner. I noticed no contusion among the deck and giving his orders in a loud but perfectly calm manner. I noticed

HOW TIMES HAVE CHANGED.

DANGERS BROUGHT UPON THE BEACONSPIELD GOVERNMENT BY THE AFGHAN WAR-NO GARBLED STATE DESPATCHES. [From the London World.]

It must always be remembered that the opponents of the government at the present moment in their policy toward Afghanistan do not necessarily disapprove of the Afghan war. They may believe that it was necessary for our prestige, necessary for co-ercing native discontent, that we should plunge ourselves into the crucible of this campaign. they do object to is the manner in which the English people have been dealt with and the shuffling pretexts which have been successively put forward. In a government that systematically adopts such courses as these, it is possible for their besotted and interested admirers alone to feel or to profess any confidence Even in such a matter as the publication of despatches which reach them from India, who can know what are printed or what are held back, or who can tell how those which see the light are affected by those which do not? This is not statesmanship; it is merely an organized system of trickery and dodge; and the government show themselves in the position of a performer with a pack of cards, who can usually contrive to force the ace into the hands of the bystander, preserving the illusion all the while that there is no deception or compulsion. Such a method of procedure as this is very well while it lasts, but ultimately it is quite certain to break down. The conditions for its permanent success do not exist in this country. We have a Cabinet and an India Office, but we have also a free and indefatigably active press. The fearless unalarmist telegrams of Mr. Forbes in the Daily News, the candid information which the Standard, much to its honor, does not fear to print, are destructive of the secrecy and will prove an effective antidote to the garbled despatches which are the feature of the present regime. From one point of view, and one only, Lord Beaconsfield has displayed, as he always does, considerable knowledge of the idiosyncrasics of the English people. There is nothing like a war for sinking all differences of political opinion; and if the war is carried through from beginning to end without a check, events will guarantee the most disingenuous Cabinet in the world a complete annesty. But there is always danger of some untoward occurrence intervening; and then it would not be surprising if, in a moment, the whole prospect were changed. The nation is, just now, in a cynically defiant mood, in which it laughs at justice or honor and admires bluster and blood. But it is doubtful how far and how long it would be safe to presume on the continuance of this humor. Such a democracy as that to which Lord Beaconsfield's Cabinet has appealed may be casily converted from a sneering scepticism in truth and humanity to an e Even in such a matter as the publication of despatches which reach them from India, who can know what

THE EXCISE EXAMINATION.

The examination into the charges against the Excise Commissioners was continued yesterday before Judge Kilbreth at the Tombs Court. Commissioner Morrison testified to having made a personal inspec-tion of the premises in West Houston street kept by tations but their relations were afterward or a almost exclusively financial character. By 1849, in almost exclusively financial character. By 1849, in which year Hay's grain mill was burned, the Hay's cowed Matthew & Thielmann, in cash and bills current, and the prediction that America is entering upon a new or of prospecity.

MONEY! MONEY! MONEY!

A firm with capital of 56,000 could not, of course, lond this sum themselves, but it was advanced by the bank through Matthew's brother-in-law, James Morton, who, it must be borne in mind, is indebted to the bank at the present time to the extent of £2,000,000. Thielmann's partnership with the Hays was for five years, but at the end of that time their allowed to drop; but Morton, on being constited, promised to "see them through it." From that day onward the indebtedness of the Hays to Matthew & Wite and could be completed to Tuesday next.

Byrnes & White. He saw a restaurant there and a mark none present the completion of seven must of the course of the completion of the enter beds and appropriate bedding. Witness was sure he never had any conversation with the new or three bends and propriate bedding. Witness was sure he never had any conversation with the new or three bends and appropriate bedding. Witness was sure he never had any conversation with the pace soon told upon Lady Fisher covered five miles in that different none of the current, and the current, and the current, and the current of the wire of the Byrnes & White. He saw a restaurant there and a

COLLEGE BOATING.

CORNELL WITHDRAWS HEE CHALLENGE TO HAR-VARD-THE MEN OF ITHACA CONSIDER THEM-SELVES BADLY TREATED.

ITHACA, N. Y., Dec. 11, 1878. ITHACA, N. Y., Dec. 11, 1818.

Immediately after the freshmen crews of Harvard and Cornell had decided their contest on Owasco Lake ast July the proposition was made to some of Har vard's 'Varsity men who were present that arrange nents be made for a university race next summer The Harvard men talked so favorably of the project that Cornell had some reason for expecting a chal-lenge early last fall. Her boating men, after vainly waiting several weeks for the expected challenge, de cided to issue one themselves, their principal reason for so doing being a desire to prevent a relapse into idleness such as prevailed in 1877, when Cornell was not represented in a single race. Accordingly early in October a challenge was sent Harvard, the sam letter that carried the challenge containing the request that a definite answer be returned at the arliest possible date. The challenge was worded in a manner that was thought would suit the con venience of Harvard, calling for an eight-oared four mile straightaway race, both specifications as to num-ber of men and distance coinciding exactly with those and both being entirely new to Cornell, for she never had an eight-oared university crew nor ever sent out nell graduates questioned the expediency of sending a challenge that would require the introduction of se many new features if accepted the boating official answered that they did not wish to leave any loop hole for Harvard's escape from the acceptance of th

HARVARD'S UNSATISFACTORY REPLY. At a meeting of the whole number of the under graduates, which was called for the ratification of the action of the navy directors who decided upon sending the challenge, there was not a dissenting voice, and much enthusiasm was shown, for it was confidently feit that the challenge would be soon accepted. But such has not proven to be true. After waiting until November 20-fully six weeks after the challenge was sent, during which time Harvard made no reply whatever—the Secretary of the Cornell Navy was instructed to address a note to the Secretary of the Harvard Boat Club stating that the circumstances of the Cornell Navy were such as to necessitate a speedy reply to the challenge. Secretary Morse sent such a note at that time, but it was fourteen days before any notice whatever was taken of it, when the following was sent as an answer:—

Mr. Morse:—

Cambridge, Mass., Doc. 4, 1878. ection of the navy directors who decided upon send

CAMBRIDGE, Mass., Doc. 4, 1878.

Mr. Morse:—
Dear Sir.—I have received your note of November 20 and would ask pardon for the delay in not answering definitely the challengs we received from you. Two or three days after the meeting in which it was voted to accept your challenge circumstances arose that made it impossible for us to send a positive answer, and it was decided to postpone writing until we knew whether we could row. As yet, I am sorry to say, masters are not clear, but we are very anxious to row and hope you will keep your crew in training. We will send a definite answer as soon as we can, which I hope will be within a week or two. Hoping the delay will be pardoned, I am, very respectfully, yours,
FREDERICK ALLEX, Secretary H. U. B. C.

WHAT HARVARD REALLY THINKS.

This note was of little use in easing the impatience which the long delay had occasioned, still it was thought advisable to wait a little longer and see if Secretary Allen might not be able to ruck his brain sufficiently to produce something a little more definite than "which I hope will be within a week or two." The Crimson of December 6, Harvard's leading periodical, containing the following statements, came to the view of some of Cornell's men early this week:—

Weck:—

It does not affect Yale and Harvard to be called cowards by Cornell and Columbia. All their talk will not make Harvard and Yale feel anything but that a race with Cornell and Columbia is a very secondary affair, and that their own annual race is, to them at least, the most important race they can row. With Columbia, Cornell and other colleges we have no quarrel, and the losing or winning of a race with them is a matter of almost perfect indifference, to this university at least. With Yale, ou the contrary, our yearly contest is of vital interest. When the R. A. A. C. was still alive the question each year was not, "Who won?" but, "Did we beat Yale?"

but, "Did we beat Yale ?"

CORNELL WITHDRAWS HER CHALLENGE.

This article, which Cornell looks upon as reflecting the feeling of Harvard boating men without exaggeration—judging by the contemptuous silence they had maintained—was the final reason why Cornell decided to withdraw her challenge and not suffer herself to be bambooxled any longer by men whom she now regards as inferior to the men that Harvard sent to Saratoga in 1876 and 1876. Secretary Morse has sent the following letter to Secretary Morse has

Mr. ALLEN:— DEAR SID—Your letter of December 4 has been received and duly considered. We regret that the nature of your roply makes it necessary for to withdraw the challenge we have so well-well on the properties of former when we were kept in suspense for a long period, to our great detriment—consider no other course advisable. Therefore we consider ourselves justified, under the circumstances, in withdrawing the challenge, regretting that constant and the constant of the course advisable. · ITHACA, N. Y., Dec. 10, 1878.

constances, in withdrawing the challenge, regretting that your action has made it necessary. Respectfully, yours.

ED. R. MORSE, Secretary Cornell Navy.

The whole body of students here are thoroughly indignant with Harvard for the manner in which she has acted since negotiations were commenced, and are outspoken in their indignation. And they are no less astonished, for Harvard has had no cause for exhibiting such discourtesy, and the indifference which she has shown justifies the statements of the Crimson, all of which lead to the very absurd result that it is a "very secondary affair" for Harvard to row against men who have repeatedly worsted her in a fair contest.

TROTTING AT FLEETWOOD PARK,

The delightful weather and the pr sport brought out a fair attendance to Fleetwood Park yesterday afternoon, and the visitors were well rewarded for their trouble. The track, unfortunately, was very heavy and slow time was the natural result Sport commenced with the unfinished race from Wednesday, in which four heats had been trotted. Yesterday's regular programme consisted of a match for \$100, mile heats, in harness, the starters there being William E. Weeks' brown mare Jane Eyre and P. Fleming's white gelding Continental. The betting was very lively, with Continental the favorite.

ting was very lively, with Continental the favorite.

Jane Eyre obtained a good lead and held it through;
out, going under the wire the winner of each heat,
and won the race without a struggle.

Time, 2:49-2:52.

The closing race of the day was a sweepstake for
\$75; mile heats, three in five, in harness. After
four heats had been trotted the race was postponed
on account of darkness until to-day at two o'clock
P. M., weather permitting. The following are the
SUMMARIES.

FLERIWOOD PARK-TROTING-TRUBBOAY, DEC. 12,
1878.—Sweepstakes \$100; mile heats, three in five,
in harness.

Starters.

| 1878.—Sweepstakes \$100; mile neats, three in five in harness. | Starters, | H. Dobson's b. g. Little Mac. | 3 1 2 1 W. Brooks' b. g. Charley Young | 1 2 3 2 W. Snediker's b. m. Lady Everett | 2 3 1 3 J. Campbell's ch. g. Billy | 4 dr. Time. | 5 dr. Time. | 4 dr. Time. | 4 dr. Time. | 4 dr. Time. | 4 dr. Time. | 5 dr. Time. | 4 dr. Time. | 4 dr. Time. | 4 dr. Time. | 5 dr. Time. | 4 dr. Time. | 5 dr. Time. | 5 dr. Time. | 4 dr. Time. | 5 dr. Tim Mile. 3:00 2:51 TIME.

BROOKLYN DRIVING PARK. The announcement made yesterday that a ten-mile

trot for a sweepstakes of \$100, mile heats, the best three in five, in harness, would take place at the Brooklyn Driving Park, Parkville, Long Island, was the cause of attracting a large assemblage of turfmen, who were eager to witness a long distance trotting contest. The weather was all that could be desired, but the track was in a heavy condition. Three horses came to the score—viz., William Thom's black mare Lady Fisher, S. Waiker's bay gelding black mare Lady Fisher, S. Walker's bay gelding Turk, and Dr. T. Power's black mare Vixen. The betting was very brisk and with Lady Fisher, the favorite, at \$25 to \$20, over the others. Although the time made in the race for ten miles was slow, it proved very interesting. When the word for the start was given Lady Fisher took the lead on the turn and finished the first mile in \$27, two lengths in advance of Vixen. Lady Fisher covered five miles in 17 m. 30 sec., with Vixen on her wheel, and Turk three lengths in the rear. On the completion of seven miles, Lady Fisher and Vixen went under the wire head and head; but the pace soon told upon Lady Fisher, who was terribly exhausted and had to be withdrawn after finishing seven and a half miles. Vixen led Turk by one length for the eighth mile. The driver of Turk (H. Conklin, of Philadelphia, Pa...) had been making a waiting race of it up to this time, but he now put the whip to his horse and beat Vixen by half a length at the finish of the ninth mile. The tenth and last mile was closely contested, and it resulted in Turk winning the race by a nose, amid great cheering. The time hung out by the judges was 35m. 39s.

When the above race was over a sweepstakes of \$75.

between R. Dryer's bay gelding Harry K., S. Poole' bay gelding Frank, and White's spotted gelding Zeppa Three heats were trotted and then the trot was po-poned until two o'clock to-day. The following are

SUMMARIES,
BROOKLYN DRIVING PARK, PARKVILLE, L. I.—TROUTTING—TRUBDAY, DEC. 12, 1878.—Sweepstakes, \$100; distance, ten miles, in harness.

S. Walkerich, S. Starters.

S. Walker's b. g. Turk
Dr. T. Power's blk. m. Vixen
William Thom's blk. m. Lady Fisher...
Total time, 39:30.

Total time, 39:30.

Trotted 7½ miles and then withdrawn.

SAME DAY—Sweepstakes \$75, under saddle; mile heats, the best three in five.

Slariers.

S. Poole's b. g. Frank 1 0 1

— White's spt. g. Zeippa 3 0 2

R. Dryer's b. g. Harry K 2 3 dr

Time, 3:01—3:01—2:58.

HORSE NOTES.

Next door to the Gilsey House, on Broadway, are

what are called the Excelsior Stables, in which the

A VISIT TO THE WINTER QUARTERS OF HOPE-FUL, THE FAMOUS TROTTER.

famous trotting gelding, Hopeful, has been assigned comfortable quarters for the winter. On entering the building the gallant gray was found looking out and intelligent eyes being very conspicuous. Mr. Redmond, who was in charge of Hopeful, and who by the way seems very proud of his pet, removed the blankets so that a good view could be taken of the gallant little gray. He is a splendidly formed horse all over. He has filled up considerably since his return from his long, arduous and brilliant campaign of the past summer and autumn, which was finished on a snow covered track, and his exuberent spirits found vent in a few playful antics. Hopehis ears back nor arts a leg to intimidate a visitor, his disposition being very gentle, and not a vice mars his character. Hopeful's performances are well known to horsemen, many of whom regard him as on the turf, although the great perform Rarus has slightly the best record in har-harness at the present time. Hopeful's great wagon were memorants or the days he attended meetings of herbarness at the present time. Hopeful's great wagon performance of three heats in 2:164,—2:17,—2:17, at Chicago, October 12, this year, was magnithen the property of the performance of three heats in 2:164,—2:18 performance of three heats in 2:16%-2:17-2:17, at Chicago, October 12, this year, was magnifi-

up on the road Don Carlos is considered one of the best.

The owners of valuable road horses who stable below Forty-third street are deriving a great deal of comfort in driving up the newly paved Seventh avenue, which has just been finished from Fourteenth to Forty-third street in a splendid manner. The avenue has been a quagmire after a rain for several years, owing to the rottenness of the old wooden pavenneat, and was almost impassable. Mr. Johnson, who paved the avenue, complains already that "sappers and miners" have been at work digging it up for gas and water pipes, but he intends to repair these places at his own expense for some time to come, so that vehicles on their way to the Park shall have a good readway, as Fifth avenue is too slippery for safety. Some plan should be devised by the authorities to prevent so much digging up of the good, new pavement of Seventh avenue.

PIGEON SHOOTING.

MATAWAN, N. J., Dec. 12, 1878.

A prize shooting match for a valuable breech-loading gun, offered by the Midway Gun Club, of Matawan, took place here to-day. The entries included twenty-five of the crack shots of the county. Conditions:—Five birds each, 21 yards rise, 80 yards boundary, Bogardus rules. The gun was won by James Lambertson and James Van Backle, both of the Midway Gun Club, who were tied twice; each killing ten birds straight. The Midway club gained sonsiderable notoriety last summer by defeating the Fountain Gun Club, of Brooklyn, in three straight matches.

TOO CORRECTIVE

Messrs. Halleck and Van Ness, respectable looking citizens, were going to business via Bleecker street, near the Italian quarter-Suilivan and Thompson streets-yesterday morning, when they saw a daugh ter of the land of song with one child in her arms pursuing another about six years oid. The two gen-tlemen paused to observe her, and were horrified to see her overtake and knock the little one down with a stick she had in her hand. Not content with having done this the liaina woman beat the prostrate youngster across the face until it got upon its feet and then knocked it down again and again. The gentlemen interfered to save the little creature, and Mr. Halleck, who is quite aged, was threatened by the woman with chastisoment if he did not mind his own business. A crowd assombled, the officer on post arrived and the gentleman bade him arrest the woman. She was taken to the Jefferson Market Police Court and arraigned before Judge Morgan, who heard the foregoing statement from the gentlemen who were sworn.

"What have you to say, madam?" the Court asked the woman. Hor child, having escaped, was absent.

"Me gotta six childrena. Thata childs my childs. Me mants she go school. No wants. So me whippa. No kills thata childs. Me madre. Little stick siap, slap! Maka alla right. Me madre. This mans no her madre."

"You hit her with a dear little stick, ch? knocked hor head nearly of because she didn't go to school fast enough? Three hundred dollars to answer."

MARTHA WASHINGTON RECEPTION. see her overtake and knock the little one down with

MARTHA WASHINGTON RECEPTION.

At a meeting of the Executive Committee of the Martha Washington Reception and Ball, held on Monday evening, at the Fifth Avenue Hotel, it was decided to hold the entertainment on Monday, Febru-ary 24, 1879, as the anniversary of Washington's birthday falls this year upon a Saturday. From the programme marked out it promises more than its usual attractions. A tableau of the inauguration of Washington, to be represented by well-known gentlemen, and a new dance by twenty-five or thirty couples in fancy costumes, will form part of the attractions in addition to the ball.

The proceeds of the cutertainment this year will be appropriated to the purpless and maintenance of a The proceeds of the cutertainment this year will be appropriated to the purchase and maintenance of a seaside hospital for destitute sick children.

THE MISSING CLERGYMAN.

THE SEARCH AFTER THE REV. MB. WRAY-A NOTEBOOK SUPPOSED TO BE HIS FOUND IN CENTRAL PARK.

No clew has yet been found to the whereal of Rev. John H. Wray, who disappeared from his home in New Brunswick last Saturday under peculiar circumstances. A memorandum book was brought to Police Headquarters yesterday contain-ing entries which led to the belief that it was his property. It had been found in Central Park the previous forenoon; but certain points regarding its discovery rather tend to increase than clear up the mystery of the case. Mr. Wray is believed to have left New Brunswick by an evening train on last Sat-urday. The pocketbook was found on Wednesday morning in an exposed place in Central Park, and yet showed no sign whatever of having lain under the heavy rain that fell all day Monday and Tuesday.

THE FINDER'S STORY.

The finder of the book was interviewed last evening by a Herald reporter. His name is William L. Maloy. He is an intelligent boy, about seventeen years old. He was seen at his residence, No. 97 King street, and told his story somewhat as follows:—"I was walking in the Park yesterday morning with another young fellow, about eleven o'clock, We went through the Cave, entering by the high flight of steps and coming out at the other flight of steps and coming out at the other entrance. We then passed the walk that leads to the Schiller bust and entered a smaller one that opens off it. We had not gone far along this path when we found the memorandum book. It lay on the grass under a bush, and was perfectly dry when we found it. Only in one corner the paper was a little discolored and blistered, as if it had soaked up a little wet. We thought very little of it at the time, and I showed it to no one until the evening, when I read of the disappearance of Mr. Wray. I guessed it was his notebook, and so took it to Police Headquarters this morning." "Why did you think it was his notebook?" asked

book, and so took it to Police Headquarters this morning.

"Why did you think it was his notebook?" asked the reporter.

"Because his name was in it, not at the beginning, but on the page dated January 28. It is arranged as a diary. The name was written J. H. Wray, and had three naughts written opposite it. The other entries were memorands of the days he attended meetings of the Methodist Local Preachers' association and of various sums of money and domestic matters. I could not say whether they were debts or not. The cover was of bright red Russian leather. The book was quite large, and contained one pocket in which there was nothing when I picked it up. The address of the stationer remained on the cover. It was No. 5 Pearce street, New Brunswick."

WHAT THE POLICE SAY.

Inspector George Dilks was next seen at Police Headquarters. He repeated the description of the book and added that no entry in it gave the slightest key to unlock the mystery of its owner's disappearance. He believed that it was without doubt the property of Mr. Wray, notwithstanding the singular place in which his name was found. The last entry made in it was under date of November 9.

Sergeant Downey, of the Purk police, was found in charge at the Arsenal by the reporter. He said that first news he had of the case was from the newspapers; he first heard of the finding of the pocket-book from the reporters who came to inquire about it. No description of Mr. Wray had come to his notice from official quarters. Still, as his men are under standing orders to thoroughly inspect their posts every time they go on duty, and as they know overy inch of the Park, the missing gentleman would have been found, he believed, if any ill had happened to him within its precincts, "unless he is at the bottom of the lake," he added, "But it may be information to your readers, that the lake is partially drained in anticipation of the skating season and is not deep enough to drown a man unless he lay down in it. I don't think he is in the Park at ali." It may be r

Davis, who gave no explanation about the affair."
Thompson says he picked Marks up and then left the saloon.

Peters testified in writing that Marks came to Modiory's place with two other men, and that the former and the bartender had a dispute. He left the saloon then, and when he returned Marks was lying on the floor.

The prisoners were then remanded. During the examination Peter Rooney, a jig dancer and waiter as McGlory's saloon, was discovered in the court room, the was quickly consigned to a cell, and later on sentenced to five days for intoxication.

FIANN AND LANGSHAW COMMITTED.

In the afternoon John Flynn (in whose saloon Marks says he was detained after his removal from McGlory's) and William Langshaw, a lounger about his place, were arraigned. Flynn testified that Marks voluntarily came to his saloon on Monday and asked to be taken care of, offering \$2 for that purpose. Had gave him a bed. He denied that Marks had been detained against his wish, Langshaw, upon whose person a bloodstained handserthief, identified by Marks as his own, was found, said he had no statement to make. He and Flynn were then committed without ball to await the result of Marks' injuries.

Later in the afternoon Peters and Thompson werre carraigned and sent to the House of Detention as witnesses in default of \$1,500 ball each.

McLORY ARRESTED.

"Billy" McGlory, who was arrested on Wednesday night by Captain Webb, of the Tenth precinct, was taken to Roosevelt Hospital yesterday and identified by Marks as having been concerned in the assault. In the Essex Market Court he was held without ball to await the result of Marks' injuries.

TWO DARK PROSPECTS.

TWO DARK PROSPECTS.

They stood at the prison door laughing and attitudinizing, swelled with the importance of guilt-in fact, puffed up with the dignity of crime. Two colored lads were they, not over sixteen either of them, and yet they had been escorted through the streets manacled by two sturdy officers as if they were great criminals. They felt their importance and showed it. "What's your name?" said Judge Morgan to one of.

"What's your name?" said Judge Morgan to one of them.

"John Hicks, of Long Island," replied the addressed, with the drawl and slouch of what is known; in Gotham as "a bad man."

"Indeed! Well, who are you?" continued the magistrate to the other youth.

"My name's Zekiel!" answered he, squirting to-bacco juice on the floor nonchalantly.

"You're spoken of in the Bible! 'Not guilty' is your plea?"

"You're spoken of in the Bible! 'Not guity is your plea?' folding his arms and frowning at the officer who bade him stand straight.
"Have you anything clae to say?"
"Not as I knows of."
"Well, now is your time to find out whether you have or not. Nothing, ch?"
"Not-not!"

"No-o-o-o!"
"One thousand dollars each to answer!" and as the
Judge spoke the lads were hustled into Jefferson
Market Prison. They had stolen four pairs of shoes.

THE LEWIS WILL CASE.

The hearing in the case of the contested will of the late Joseph L. Lewis, of Hoboken, was resumed yesterday before Master in Chancery C. S. See, at Jersey City. Marcus J. Sacia, who it had been sworn had written the certificate of marriage offered by the alleged widow, testified that the handwriting in the certificate was that of Etheridge M. Fish, the West Hoboken Judge, whose name was signed to it.

Ex-Minister Pierrepont appeared and presented his retainer as counsel for the government. The hearing was then adjourned.

BUSINESS TROUBLES.

Gustav Efle, tailor, made an assignment yesterday to Louis Elle, giving the latter a preference to the amount of \$2,275.

Nina Louisa Masanti made an assignment resterday nisa Masanti made an assignment resterday